**JETAINE CORPORATION SDN BHD**

**v.**

**JC LABORATORY SDN BHD**

HIGH COURT MALAYA, KUALA LUMPUR
STEVE SHIM J
[ORIGINATING MOTION NO: D5-25-2-1999]
18 JANUARY 1999

***TRADEMARKS:*** *Trade description - Full and frank disclosure when applying for ex parte trade description order - Whether necessary to specifically identify infringing products and company manufacturing the same - Whether fact that label a common word ought to be disclosed - Whether failure to do so amounts to withholding of material fact*

The applicant had obtained a trade description order by way of an *ex parte* notice of originating motion. This was the proposed respondent's application to intervene and set aside the said trade description order. The main ground relied on by the proposed respondent was that there was no full and frank disclosure to the court when the said trade description order was applied for. Further to this, the proposed respondent submitted that the applicant did not identify the proposed respondent specifically and that the applicant failed to exhibit the alleged offending products of the proposed respondent. As such, the proposed respondent contended that the applicant had failed to disclose material facts as to how its trade mark and get-up had been passed-off by the proposed respondent. The proposed respondent also submitted that the applicant failed to disclose material facts relating to the common nature of the trademark "Teen" and the get-up of a white bottle, both claimed to be distinctive of the applicant.

**Held:**

**[1]** The applicant was in fact seeking a general declaratory order but in so doing had not quite established its case against the proposed respondent. The applicant had not identified the proposed respondent or its products specifically. This was a material fact which, if disclosed, would have a negative impact on the applicant's application as against the respondent.

**[2]** The word "Teen" is a common word associated with teenagers. Indeed, it must conceivably refer to teenagers in general. This was a material fact which had not been fully disclosed by the applicant when the trade description order was granted.

*[Order in terms; trade description order to be set aside as between applicant and proposed respondent.]*

**Case(s) referred to:**

*NV Sumatra Tobacco Trading Co v. PT Sampoerna J L Sdn Bhd [1997] 3 CLJ 346* ***(refd)***

*Pegang Mining Co Ltd v. Choong Sam & Ors [1969] 2 MLJ 52* ***(refd)***

*Sanders Leed Co Inc v. Entgores Metal Brokers Ltd [1984] 1 All ER 857* ***(refd)***

*Thomas A Edison Ltd v. Bullock [1912] 15 CLR 679* ***(refd)***

*Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd [1992] 2 CLJ 1153* ***(refd)***

**Legislation referred to:**

Rules of the High Court 1980, O. 15 r. 6(2)(b)(ii)

*For the applicant - Andrew Davis; M/s Michael Chai*
*For the respondent - Su Siew Ling; M/s Shearn Delamore & Co*

*Reported by S Dharmendran*

## JUDGMENT

**Steve Shim J:**

In this case, the proposed respondent has applied by way of summons-in-chambers at encl. 9 to intervene and to set aside the trade description order (TDO) obtained by the applicant on 22 March 1998 by way of an *ex parte* Notis Usul Pemula dated 9 December 1999. In support, it has filed 2 affidavits both affirmed by Goh Ah Liong dated 20 August 1999 and 20 September 1999 respectively. The applicant has opposed the said summons-in-chambers filing in reply the affidavit of Lee Hock Leong affirmed on 17 September 1999.

This application for intervention is made pursuant to O. 15 r. 6(2)(b)(ii) of the Rules of the High Court 1980 which stipulates:

> (2) At any stage of proceedings in any case or matter the court may on such term as it thinks just and either of its own motion or on application -
>
> (b) order any of the following persons to be added as a party, namely -
>
> (ii) any person between whom and any party to the cause or matter there may exist a question or issue arising out of or relating to or connected with any relief or remedy claimed in the cause of matter

> which in the opinion of the court it would be just and convenient to determine as between his and that party as well as between the parties to the cause or matter;
>
> but no person shall be added as a plaintiff without his consent signified in writing or in such other manner as may be authorised.

The provisions above had been dealt with in some detail by Wan Adnan J (as he then was) in *Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd* [1992] 2 MLJ 63. In construing the said provision, his Lordship cited with approval the observations of Kerr L J in *Sanders Leed Co Inc v. Entgores Metal Brokers Ltd* [1984] 1 All ER 857 and Lord Diplock in the Privy Council case of *Pegang Mining Co Ltd v. Choong Sam & Ors* [1969] 2 MLJ 52 and finally came to this conclusion:

> It is therefore clear that a person who wants to intevene must show that he has some interest which is directly related to the subject matter of the action. A mere commercial interest in the outcome is not enough. He will be allowed to intervene if his rights liabilities in respect of the subject matter of the action will be directly affected by an order of the court in the action. To prevent injustice being done the court should allow a person whose rights will be affected by its judgment an opportunity of being heard.

This principle was affirmed in the recent case of *NV Sumatra Tobacco Trading Co v. PT Sampoerna J L Sdn Bhd* [1997] 3 CLJ 346 where Haidar J (as he then was) said:

> To prevent injustice being done it would appear that the court should allow a person whose interests will be affected by the Order, an opportunity of being heard. Interests must, however, be considered in the light of 'legal interests' as opposed to 'commercial interests' as the test in determining whether a party may be added as an intervenor.

In the instant case, it is the proposed respondent's contention that its interests have been seriously affected by the TDO procured by the applicant and that such interests transcend beyond their commercial interests. It is alleged that the applicant had campaigned against the proposed respondent based on the said TDO by sending warning letters to the latter's manufacturers and bottle producers thereby seriously affecting its business and causing damage to its goodwill and reputation compounded by the impending threat of criminal prosecution.

In seeking to set aside the TDO, the proposed respondent has raised a number of grounds but I think it is sufficient to consider one of them and this relates to the question of whether there was full and frank disclosure to the court at the time when the TDO was applied for by the applicant.

The TDO was, as I said, obtained on an *ex parte* application. It is of course, well settled that an applicant in *ex parte* application owes a duty to the court to make full and frank disclosure of all material facts in the case failing which the *ex parte* order granted may be set aside. This principle had been restated in a number of cases but I need merely refer to what Isaacs J said in the Australian case of *Thomas A Edison Ltd v. Bullock* [1912] 15 CLR 679:

> There is a primary precept governing the administration of justice, that no man is to be condemned unheard; and therefore, as a general rule, no order should be made to the prejudice of a party unless he has the opportunity of being heard in defence. But instances occur where justice could not be done unless the subject matter of the suit were preserved, and, if that is in danger of destruction by one party, or if irremediable or serious damage be imminent, the other may come to the Court and ask for its interposition even in the absence of his opponent, on the ground that delay would involve greater injustice than instant action. But when he does so, and the Court is asked to disregard the usual requirement of hearing the other side, the party moving incurs a most serious responsibility.

It is in the light of these principles that I now revert to the submissions of counsels for the proposed respondent and the applicant respectively. First, it is submitted by counsel for the proposed respondent that the applicant had failed to exhibit the alleged offending products of the proposed respondent and as such it had failed to disclose material facts as to how its trade mark and get-up had been passed-off by the proposed respondent. Here, counsel contends that the applicant, in attempting to justify that the proposed respondent's trade mark and get-up constituted a false trade description as reflected in paras. 9, 11 and 12 of its affidavit-in-reply, did not however identify the proposed respondent specifically in the said affidavit nor did it exhibit the alleged offending products of the proposed respondent. In rebuttal, counsel for the applicant maintains that the TDO was granted to the applicant after the court was satisfied that its products were being passed-off and on the basis of information disclosed in the supporting affidavit to the *ex parte* application. Speaking for myself, it seems perfectly clear, on a closer examination of the said supporting affidavit and the reliefs prayed for, that the applicant was in fact seeking a general declaratory order but in so doing had not quite established its case against the proposed respondent. The applicant had not identified the proposed respondent or its products specifically. This, in my view, is a material fact which, if disclosed, would have a negative impact on the applicant's application as against the respondent.

Secondly, it is contended by counsel for the proposed respondent that the applicant had failed to disclose material facts relating to the common nature of the trade mark "Teen" and the get-up of a white bottle, both claimed to be distinctive of the applicant. It is the proposed respondent's stand that the said trade mark and get-up are common, by tendering exhibit 7 which shows an array of advertisements of skincare products, either sold or promoted by reference to the word "Teen". These products are apparently aimed at the teenage group of consumers and must invariably bear the word "Teen". In expanding on this, counsel for the proposed respondent submits that the said word describes the very nature and target market of the products; that in the case of the proposed respondent's products, they are medicated facial wash aimed at teenagers who are most prone to getting acne and other skin problems and as such, there is justification for the proposed respondent in using the word "Teen" to promote its products. I think there is some substance in this proposition. In the absence of clear evidence to the contrary, I am inclined to accept the argument that the word "Teen" is a common word associated with teenagers. Indeed, it must conceivably refer to teenagers in general. This is a material fact which had not been fully disclosed by the applicant when the TDO was granted.

In summary therefore, I must hold that had the above material facts been disclosed by the applicant at the time the *ex parte* application was made, they would have created a decisive impact in the court disallowing the said application. Shortly put, the TDO would not have been granted under the circumstances.

For the reasons stated, I think it, fit and proper to allow the application of the proposed respondent and order in terms thereof. In effect the TDO is to be set aside as between the applicant and the proposed respondent only.